STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
Certificate of Need (CON) Commission
Hospital Bed Public Hearing

January 22, 2003
BOW
3423 North Martin Luther King
Manty Conference Room 1C
Lansing MI

ORAL TESTIMONY

Panel

Brenda Rogers, Special Assistant to the CoN Commission, MDCH

General Public Attendance

Approximately 13 individuals in attendance.

Public Hearing

(Proceedings scheduled to start at 10:00 a.m.; actual start time was 10:00 a.m.)

MS. ROGERS: Good morning. My name is Brenda Rogers. I am special assistant to the Certificate of Need Commission from the Department of Community Health. Chairperson, Renee Turner-Bailey has asked the Department to conduct today's hearing. We are here today to take testimony concerning proposed revisions to the review standards for hospital beds. The proposed changes set forth criteria for high occupancy hospitals to obtain additional beds in an over bedded subarea outside the bed need limitation.

Please be sure you have signed the sign-in log. Packets can be found on the table. In the folder is a card to be completed if you wish to provide testimony. Please hand your card to me if you wish to speak. Additionally, if you have written testimony, please provide a copy to me as well. As indicated on the inside pocket of the packet, written testimony may be provided to the Department through January 29th, 2003, at 5:00 p.m.

We will begin the hearing by taking testimony from those of you who wish to speak. The hearing will continue until all testimony has been given, at which time we will adjourn. Today is Wednesday, January 22nd, 2003, and we will now begin taking testimony.

Again, to remind you, there's cards inside the packet. If you would like to provide testimony, please fill that out, hand it to me, and then you can step up to the podium. Okay. Talkative group today. Okay. What we will do -- hearing no testimony, what we will do is recess until approximately 10:10am. It's 10:02am right now. We'll see if any more people show, and at that point, if we have people that want to provide testimony,

we'll open it back up. If not, then we will adjourn the meeting. At this point, at 10:02am, we are now recessed.

(Off the record)

MS. ROGERS: All right. We're going to go ahead and reconvene. It is 10:11am, and I have received one card for testimony, Mr. Patrick O'Donovan with Beaumont.

MR. O'DONOVAN: Good morning. My name is Patrick O'Donovan, Director of Planning for William Beaumont Hospital, and I am an alternate member of the Hospital Bed Ad Hoc Committee that brought forward language which provides the ability of high occupancy hospitals to add a limited number of beds.

Beaumont wishes to thank the Ad Hoc Committee and the CoN Commission for their time and effort dedicated to addressing the issue of access to hospitals that are operating at a sustained level of high occupancy.

Beaumont supports the criteria in the proposed standards that identify the threshold of what constitutes a high occupancy hospital and determines the maximum number of beds a high occupancy hospital can add. However, for the following reasons Beaumont is opposed to the stipulation in the proposed standards that established the high occupancy hospital provision as a pilot program that expires November 30th of this year:

First, CoN standards should apply to the whole state, not to just one or a few hospitals.

Currently Beaumont-Royal Oak is probably the only hospital in the state that is experiencing high occupancy and that could qualify for additional beds under the time-limited provision in the proposed standards. Beaumont-Royal Oak finished the year 2002 at 87 percent licensed occupancy. While Beaumont-Royal Oak may be the only hospital that is currently experiencing occupancy beyond 85 percent, we believe that more hospitals in this state will reach this high occupancy threshold within the next five years due to the growth and aging of the population.

During its deliberations the Ad Hoc Committee concluded that there, indeed, should be a provision that allows high occupancy hospitals to add a limited number of beds. If the pilot program stipulation currently in the proposed standards is allowed to stand, then there will be no high occupancy hospital provision after November 30th.

The rationale given by the Ad Hoc for including the pilot program language was that it would give some immediate relief to Beaumont, while allowing the Ad Hoc to continue its work on revisiting the subarea definitions and revisiting the bed need methodology itself to make it more reflective of actual use rates in an area. However, regardless of the outcome of those deliberations, the appropriateness of allowing high occupancy hospitals to add beds has already been justified and should remain in place.

In conclusion, Beaumont has worked with the CON Commission for over two and a half years on the high occupancy hospital issue. And we believe that a fair and workable

solution has been identified. If this provision is allowed to lapse near the end of this year, it is unclear if or when there will be any replacement language, especially given the uncertainty associated with the newly configured CON Commission that will be established in the spring. Thank you for the opportunity to comment.

MS. ROGERS: Thank you. Do we have any other testimony today? And just a reminder, Barb, you can fill it out when you're done, but there's a card in the packet if you can fill that out for me.

This is Barb Jackson with the Economic Alliance. Thank you.

MS. JACKSON: Thanks. Thanks, Brenda. Again, regarding the new hospital bed proposed standards, although EAM supports this proposed high occupancy provision, we regret that the broader community impact of this change was not taken into account regarding both the requirements of an offsetting reduction in excess capacity, as well as an increased contribution to the cost of providing indigent medical care, as this change will benefit hospitals providing care to low proportions of indigent care populations.

We were glad we were able to come to closure on Beaumont on this issue; in the future look forward to working with them and other providers throughout the state. We know that high occupancy will continue to manifest itself differently for small versus large, rural versus urban and other situations, which is why we thought it was important that this be a one-time-only proposal.

Regarding the bed relocation language addressed during the CON Commission meeting on December the 10th, we understand that the intent is to allow hospitals to transfer beds, not to just replace themselves, but to allow beds to be relocated from one existing acute care hospital to another acute care hospital within a two-mile radius and within the same subarea. We've read the language drafted by the Department for this purpose, Sections 2(W) and 7(1). I'm not going to read it. We all saw it.

However, we feel it is unclear and recommend that it be changed and be written in a more explicit fashion so its intent is more clearly stated. Thank you.

MS. ROGERS: Thank you, Barb.

MS. JACKSON: Thank you.

MS. ROGERS: Do we have any other testimony? Okay. Hearing no further testimony, then, we will adjourn this hearing at 10:18am, and thank you.

(Proceedings concluded at approximately 10:18 a.m.)